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COMMITTEE ON RELATIONS WITH THE
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LETTER DATED 15 OCTOBER 1997 FROM THE CHAIRMAN OF THE COMMITTEE ON RELATIONS WITH THE HOST COUNTRY ADDRESSED TO PERMANENT MISSIONS OF MEMBERS AND OF OBSERVERS TO THE UNITED NATIONS

As you know, one of the functions of the Committee on Relations with the Host Country is to assist members of the United Nations diplomatic community to settle into their New York posting.

In this connection, the Committee continues to explore possibilities for the United Nations diplomatic community to be provided with affordable health care services.

As you will recall, in 1996 the Committee circulated among Missions accredited to the United Nations a health care questionnaire, which helped to identify needs and expectations of the diplomatic community in this area. A tabular summary of information received from Missions was brought to the attention of prospective providers of health services. Over the past few months informal meetings were held with representatives from the health care provider industry. Please find attached a brief analytical summary of the health insurance proposals received from the prospective providers.

The goal of the Committee is to organize a meeting in December 1997 or January 1998 at which the providers could present their respective proposals to the diplomatic community. The session could also be used by the members of the diplomatic community to clarify any specific questions they may wish to be addressed to the health care providers. Please note that the specific date for such a meeting will be announced in the Journal of the United Nations.

We look forward to seeing you at this meeting.

(Signed) Nicos AGATHOCLEOUS

ANNEX

## Summary of health insurance proposals

### Background

1. Informal meetings were held on 29 July, 17 September and 2 October 1997 at United Nations Headquarters with representatives from the health insurance industry who had submitted proposals in response to informal requests to provide health insurance coverage to members of Missions accredited to the United Nations. The meetings were attended by representatives from the United States Mission to the United Nations, the Insurance, Claims and Compensation Section of the Office of Programme Planning, Budget and Accounts, the Office of Legal Affairs and a representative designated by the Chairman of the Host Country Committee, Mr. Constantine Moushoutas (Cyprus).

### Proposals

2. Comprehensive coverage could be arranged on the basis that each Mission would be responsible for advising the selected insurer of the names and details of those covered, and for ensuring that required premiums were paid by the Mission on a timely basis.

3. The less costly proposals would provide for health insurance coverage through health maintenance organizations (HMOs), which focus on preventive care, accessing treatment through a network of participating hospitals and doctors normally by paying a minimum fee to the doctor (a co-payment), usually between $5 and $15. The patient would access treatment through a primary doctor ("Gatekeeper" in United States parlance), normally a clinical internist, who would be responsible for referring the patient to a specialist, as needed, for further treatment. The HMO plans would also provide for laboratory and emergency care and pharmaceutical reimbursement. The more costly proposals would allow the participant to use either a network of doctors at a specified co-payment or any doctor of the participant's choice, reimbursable at 80 per cent of what would be considered the "reasonable and customary" fee, upon satisfaction of an annual deductible.

4. The rates proposed (which would be subject to change) would range from about $140 (single) to $430 (family) per month for HMO-type plans and from $240 to $616 for more comprehensive plans offering access to doctors both within and outside the designated network.

5. Premium rates might be based (depending on the health insurance plan chosen) upon the diplomatic community's health experience considered within the overall experience of all employer groups in the New York community participating in that specific plan. Alternatively, a premium rating might be developed based exclusively on the projected claims experience of the diplomatic community.

6. During the discussions it became clear that the Missions would decide on one or possibly two insurers since the costs of administration for more than two plans would be considerable. It further became clear that new business would

only be attractive to some insurance companies if a reasonable number of individuals were insured within a given plan. Other insurers, however, would be willing to provide insurance irrespective of the size of the Mission and/or without concern with regard to the number of Missions that would opt for a given plan.

7. Assuming that the diplomatic community would constitute a group of adequate size, neither an entry examination nor any bar in respect of pre-existing conditions would be imposed. Some proposals stipulated that if the diplomatic community group was not of a sufficient size to waive those conditions, there would be a requirement for the completion of a medical disclosure form and possibly a waiting period for the treatment of pre-existing conditions.

8. The range and choice of benefits available under a policy would be directly related to the cost of the policy. All of the alterative policy structures deserve consideration by the diplomatic community. A meeting similar to the one held in September 1994 could be arranged so that the insurers themselves could present and explain the merits of their respective policies to interested Missions.

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